REMARKS/ARGUMENTS

The following is responsive to the Final Office Action mailed July 24, 2007. In view of the following remarks, reevaluation and further processing of the application is requested. Prior to amendment herewith, Claims 22, 23, and 29-35 were pending in the application. By amendment herewith, Claim 22 is amended, and new Claims 54-58 have been added. Thus, Claims 22, 23, 29-35, and 54-58 are now pending in the application.

Claim Amendment

Claim 22 has been amended to explicitly recite that the host is configured for operation by a host owner.

Telephone Conference with Examiner

Applicant appreciates the conference with the Examiner of January 25, 2008. The Johnson reference was briefly discussed with respect to claim 22. An amendment to claim 22 was discussed in order to explicitly recite a host owner entity that is a distinct entity from the distributors recited in claim 22. The Examiner did not seem to have previously appreciated that Johnson does not show distinct entities for each of a host owner, two or more distributors, a store owner, and a consumer. However, Applicant's specification, for example, describes payment/money exchanges between these entities, making clear that they are distinct entities.

The Examiner specifically requested during the interview that Applicant refer the Examiner to Fig. 1 of Johnson in this response as part of further consideration of this application.

Rejection under 35 U.S.C. 102

In the Office Action, the Examiner rejected claims 22, 29-32 and 35 under U.S.C. 102 as anticipated by Johnson et al. (U.S. Pat. No. 5,712,989, hereinafter "Johnson").

Johnson's Fig. 1 shows a local computer 40 that the Examiner associates with a consumer as recited in Applicant's claim 22, and the Examiner associates vendor 37 or 38 with a store owner. The Examiner appears to further associate host computer 10 with a "host" as recited in

claim 22, and to associate the Distributor Warehouse 30 with a "distributor" as recited in claim 22.

However, a detailed reading of Johnson shows that both the host computer 10 and the Distributor Warehouse 30 are both associated with the <u>same</u> entity (i.e., the Distributor). It should be noted that Johnson somewhat awkwardly defines the entity selling the goods to the customer as the "Distributor". The actual functions of the Distributor must be determined from a detailed reading of Johnson to fully appreciate that the Distributor uses Host Computer 10 to sell goods to the customer from the Distributor's own warehouse.

Specifically, Johnson states that "a host computer 10 [is] located at a Distributor site" (col. 2, ll. 64-65), and that the "[h]ost computer 10 controls all inventory, pricing, and requisitioning operations of the Distributor's regularly stocked items" (col. 3, ll. 10-13). In other words, host computer 10 communicates with customer's local computer 40 in order for the customer to purchase goods from the Distributor.

So, even if Johnson shows a "distributor" as claimed, Johnson does <u>not</u> show or even contemplate the possibility that there is yet another entity that operates the host computer 10 (i.e., the host owner). Applicant's claim 22 has been amended to explicitly recite <u>four</u> types of entities: host owner, distributor, store owner, and consumer. But Johnson only shows <u>three</u> types of entities. Here, the Examiner argues that Johnson shows a distributor, store owner and consumer. But, as was discussed in the interview above, Johnson does not show a host owner entity that is <u>distinct</u> from the distributor type of entity. This is clear in that Johnson only describes host computer 10 as being operated by the Distributor. There is no separate host owner as Applicant recites in claim 22, and it is <u>not legally proper to double-count</u> the Distributor as two different types of entities.

Applicant's claim 22 further recites that a host owner communicates with a plurality of distributors. This requires at least two distributors be shown. However, the Examiner has only presented one distributor (i.e., the Distributor of Warehouse 30). No second distributor has been clearly shown in Johnson by the Examiner's argument. So, in addition to not showing a distinct host owner, Johnson also does not show two or more Distributors in communication with a host owner.

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The Examiner may possibly consider that the Distributor, vendor, and customer of Johnson could be mapped to the elements of Applicant's claim 22 in ways different from that previously presented by the Examiner. However, Applicant believes that any alternative mapping of these entities in Johnson against claim 22 always falls short of one of the four types of entities recited in the claim (e.g., if an entity in Johnson is argued as being shown a host owner, then a distributor is not shown; or if a host owner and distributor are argued as being shown, then there is no store owner, etc.). Applicant believes that it has fully considered all reasonable such mappings, and all reasonable interpretations of Johnson fall short of anticipating the present wording of claim 22 with its distinct host owner, plurality of distributors, store owner, and consumer.

Therefore, Applicant respectfully requests that the Examiner find claim 22, and all dependent claims in this application in condition for allowance.

New Claims

New claims 54-58 all depend, directly or indirectly, from independent claim 22 discussed above and are believed allowable for at least the reasons discussed above.

In addition, it should be noted that new claim 54 recites creating "a second store managed by the host for the second store owner, each of the first and second stores to be customized by the respective first and second store owners to offer products for sale by e-commerce." The Examiner argues that vendors 37 and 38 show store owners. However, Johnson only discusses a single system to present and sell goods to the customer. Thus, host computer 10 could be at most considered to present a single store, if at all, to the customer. Because Johnson does not contemplate a separate "host owner" that is in the business of creating customized stores for different store owners, Johnson does not at all describe that a second store owner (e.g., vendor 38) has a customized store created for it.

New claim 57 recites "the host is further suitably adapted to make a payment to at least one of the plurality of distributors from the purchase price, to make a payment to the store owner of a commission, and to retain at least a portion of the purchase price as the host owner's profit". This makes clear that the host owner in claim 57 is a distinct entity that is

receiving some portion of the purchase price that is different from the payment to the distributor. Johnson does not at all describe parts of the payment from the customer as going to both the Distributor and a separate host owner. That is because the Distributor is the host owner in Johnson. The Distributor cannot properly be "double-counted" as both a distributor and host owner in arguing anticipation of Applicant's claim 57.
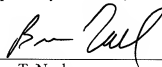
CONCLUSION

Applicant's other dependent claims all depend, directly or indirectly, from independent claim 22 and are believed allowable for at least the reasons discussed above.

In view of the above amendments and remarks, Applicant respectfully requests a Notice of Allowance. If the Examiner believes a telephone conference would advance the prosecution of this application, the Examiner is invited to telephone the undersigned at the below-listed telephone number.

The Commissioner is authorized to charge any additional fees associated with this filing, or credit any overpayment, to Deposit Account No. 50-2638. If an extension of time is required, this should be considered a petition therefor.

Respectfully submitted,

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